APPENDIX A

[Australia] Income Tax Assessment Act 1936, as amended by Act No. 85, Acts of the Parliament of the Commonwealth of Australia (1967).

DIVISION 11A.—Dividends and Interest paid to Non-residents.

128A.—(1.) In this Division, unless the contrary intention appears—dividend includes part of a dividend; interest includes an amount in the nature of interest, but does not include an amount deemed to be interest by section twenty-six C of this Act; non-resident does not include a resident of a Territory of the Commonwealth.

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128B.—(1.) Subject to sub-section (3.) of this section, this section applies to income that—

(a) is derived, on or after the first day of January, One thousand nine hundred and sixty-eight, by a non-resident, other than a non-resident who carries on business in Australia at or through a permanent establishment of the non-resident in Australia; and

(b) consists of a dividend paid by a company that is a resident. . .

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(4.) A person who derives income to which this section applies that consists of a dividend is liable to pay income tax upon that income at the rate declared by the Parliament in respect of income to which this sub-section applies.

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221YL (1.) Where—

(a) the holder, or (if there is more than one holder) any holder, of a share or stock in a company that is a resident is shown, in relation to the share or stock,

in the register of members of the company as having an address outside Australia; or

(b) the holder of a share or stock in a company that is a resident has authorized or directed the company to pay dividends in respect of the share or stock to himself, or to any other person, at a place outside Australia,

the company shall, subject to this section and to the next succeeding section, before or at the time when a dividend of the company is paid by the company in respect of the share or stock, make a deduction from the dividend of an amount determined in accordance with the regulations.

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Income Tax Law of Mexico[1]

CHAPTER II

TAX ON INCOME FROM CAPITAL INVESTMENT

ARTICLE 60. [Income subject to tax.] The tax referred to in this chapter is imposed on any receipts in cash or in kind derived from the following types of capital investments:

I. Income from:

a) Interest arising from any kind of act, contract, or agreement;

* * * * * * * * * * *

V. Income from profits distributed by all entities established in Mexico and from profits which should be distributed by branches or agencies of foreign entities established in Mexico.

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[1] These statutes were excerpted from the Commerce Clearing House Spanish-English Edition of the Mexican Income and Commercial Receipts Tax Laws effective January 1, 1967.

ARTICLE 61. [Persons subject to tax.] The tax on income from capital investments is imposed on the persons receiving the income described in the preceding article notwithstanding any agreement or pact to the contrary.

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ARTICLE 66. [Interest subject only to the 10% tax.] The following type of interest income is taxable at the 10% rate:

I. Interest from acceptances, loans, and other credits issued by credit institutions, auxiliary organizations, or foreign banks.

II. Interest derived from transactions entered into by persons domiciled abroad when the amount of the credit is used for purposes of public interest in the judgment of the Ministry of Finance and Public Credit.

The payor of the interest referred to in this article must withhold the tax.

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ARTICLE 73. [Income from company distributions.] The tax to which paragraph V of Article 60 refers is imposed:

I. In the case of all Mexican corporations and entities:

a) On the distributed profits;

* * * * * * * * * *

ARTICLE 74. [Rates.] The tax to which paragraphs I and III of the preceding article refer is the amount resulting from applying the following rates to the taxable income realized by each taxpayer during a calendar year:

Up to 180,000 pesos	15%
From 180,000 pesos to 270,000 pesos	17.5%
Over 270,000 pesos	20%

The tax must be withheld by the entities or individuals making the payments described under paragraphs I and III of the preceding article. For this purpose, the payor must keep a cumulative record of the amounts paid to the stockholders or partners in the calendar year. Before any payments in kind are made, the stockholder or partner must furnish the company with the necessary funds to pay the tax.

APPENDIX B

1969 Adjustment to Idaho Apportionable Business Income as a Consequence of Inclusion of Disputed Items

a. Dividends (J.A. 52a)	
Southern Peru	$32,234,880
M.I.M.	20,466,130
Mexicana	1,882,918
General Cable	5,333,449
Revere	2,814,444
	$62,731,821
b. Interest (J.A. 53a)	
Note from sale of Mexicana stock	$ 363,000
Revere debentures	1,251,965
	$1,614,965
c. Capital gain (J.A. 51a)	
Sale of M.I.M. stock	$ 2,230,370
d. Subtotal (a + b + c)	$66,577,156
e. Foreign dividend gross-up (J.A. 67a)	($ 6,276,623)
f. Capital gain adjustment (J.A. 67a)	($ 1,271,079)
g. Total adjustment (d — e — f)	$59,029,454

1969 Adjustment to Idaho Apportionment Factor As a Consequence of Including Disputed Items in Denominator of Sales Factor

a. Idaho property factor*			2.74604
b. Idaho payroll factor*			3.50263
c. Idaho sales factor*	$\frac{\$\ 6{,}031{,}376}{\$447{,}192{,}560}$	=	1.34872
d. Idaho apportionment factor* (a + b + c) ÷ 3			2.53246
e. Idaho sales factor if disputed items are not included in denominator	$\frac{\$\ 6{,}031{,}376}{\$389{,}122{,}397**}$	=	1.54999
f. Recomputed Idaho apportionment factor (a + b + e) ÷ 3			2.59955
g. Adjustment to Idaho apportionment factor as a consequence of MTC auditor's inclusion of disputed items in denominator of sales factor line f — line d			.06709

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* See J.A. 71a-73a. These figures reflect all adjustments made by the MTC auditor.

** $389,122,397 = $447,192,560 minus (1) adjusted dividends of $56,455,198 (*i.e.*, dividends of $62,731,821 less foreign dividend gross-up of $6,276,623) and minus (2) interest of $1,614,965. See this Appendix, 5a.

APPENDIX C

U.S. Income Tax Conventions Providing for Relief from Double Taxation by Allowance of a Credit to a Resident Taxpayer for Taxes Paid to the Source Nation:

A. Ratified Income Tax Conventions between the United States and:

Australia (Art. XV), May 14, 1953, 4 U.S.T. 2274, T.I.A.S. No. 2880; Austria (Art. XV), Oct. 25, 1956, 8 U.S.T. 1699, T.I.A.S. No. 3923; Belgium (Art. 23), July 9, 1970, 23 U.S.T. 2687, T.I.A.S. No. 7463; Canada (Art. XV), June 12, 1950, 2 U.S.T. 2235, T.I.A.S. No. 2347; Denmark (Art. XV), May 6, 1948, 62 Stat. 1730, T.I.A.S. No. 1854; Finland (Art. 5), Mar. 6, 1970, 22 U.S.T. 40, T.I.A.S. No. 7042; France (Art. 23), July 28, 1967, 19 U.S.T. 5280, T.I.A.S. No. 6518, as amended, Nov. 24, 1978, 30 U.S.T. 5110, T.I.A.S. No. 9500; West Germany (Art. XV), July 22, 1954, 5 U.S.T. 2768, T.I.A.S. No. 3133, as amended, Sept. 17, 1965, 16 U.S.T. 1875, T.I.A.S. No. 5920; Greece (Art. XIV), Feb. 20, 1950, 5 U.S.T. 47, T.I.A.S. No. 2902; Hungary (Art. 20), Feb. 12, 1979, 30 U.S.T. 6357, T.I.A.S. No. 9560; Iceland (Art. 5), May 7, 1975, 26 U.S.T. 2004, T.I.A.S. No. 8151; Ireland (Art. XIII), Sept. 13, 1949, 2 U.S.T. 2303, T.I.A.S. No. 2356; Italy (Art. XV), Mar. 30, 1955, 7 U.S.T. 2999, T.I.A.S. No. 3679; Japan (Art. 5), Mar. 8, 1971, 23 U.S.T. 967, T.I.A.S. No. 7365; Korea (Art. 5), June 4, 1976, 30 U.S.T. 5253, T.I.A.S. No. 9506; Luxembourg (Art. XVI), Dec. 18, 1962, 15 U.S.T. 2355, T.I.A.S. No. 5726; Netherlands (Art. XIX), April 29, 1948, 62 Stat. 1757, T.I.A.S. No. 1855, as amended, Dec. 30, 1965, 17 U.S.T. 896, T.I.A.S. No. 6051; New Zealand (Art. XIII), Mar. 16, 1948, 2 U.S.T. 2378, T.I.A.S. No. 2360; Norway (Art. 23), Dec. 3, 1971, 23 U.S.T. 2832, T.I.A.S. No. 7474; Pakistan (Art. XV), July 1, 1957, 10 U.S.T. 984, T.I.A.S.

No. 4232; Poland (Art. 20), Oct. 8, 1974, 28 U.S.T. 891, T.I.A.S. No. 8486; Romania (Art. 21), Dec. 4, 1973, 27 U.S.T. 165, T.I.A.S. No. 8228; Sweden (Art. XIV), Mar. 23, 1939, 54 Stat. 1759, T.I.A.S. No. 958, as amended, Oct. 22, 1963, 15 U.S.T. 1824, T.I.A.S. No. 5656; Switzerland (Art. XV), May 24, 1951, 2 U.S.T. 1751, T.I.A.S. No. 2316; Trinidad and Tobago (Art. 4), Jan. 9, 1970, 22 U.S.T. 164, T.I.A.S. No. 7047; Union of South Africa (Art. IV), Dec. 13, 1946, 3 U.S.T. 3821, T.I.A.S. No. 2510; United Kingdom (Art. 23), Dec. 31, 1975, —— U.S.T. ——, T.I.A.S. No. 9682.

B. Pending Income Tax Conventions between the United States and:

Argentina (Art. 23), May 7, 1981; Bangladesh (Art. 22), Oct. 6, 1980; Brazil (Art. 4), Mar. 13, 1967; British Virgin Islands (Art. 22), Feb. 18, 1981; Cyprus (Art. 5), Mar. 26, 1980; India (Art. XII), Nov. 10, 1959; Israel (Art. 26), Nov. 20, 1975; Jamaica (Art. 24), May 21, 1980; Malta (Art. 24), Mar. 21, 1980; Morocco (Art. 21), Aug. 1, 1977; Philippines (Art. 23), Oct. 1, 1976; Thailand (Art. 22), Mar. 1, 1965; United Arab Republic (Art. 25), Aug. 24, 1980. The pending conventions may be found in Volumes 1 and 2 of the Commerce Clearing House Tax Treaties looseleaf service.